

**BYLAWS  
OF  
First Water Bank of Utah, Inc.  
A Utah NONPROFIT CORPORATION**

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**BYLAWS  
OF  
First Water Bank of Utah, Inc.**

These bylaws (the “*Bylaws*”) are adopted for the governance of First Water Bank of Utah, Inc., a Utah nonprofit corporation (herein referred to as the “*Corporation*”).

**ARTICLE I  
REGISTERED AGENT AND OFFICE**

The name and street address of the Corporation’s registered agent shall be as set forth in the Corporation’s Articles of Incorporation or other filing with the Utah Secretary of State. The registered agent is subject to change from time to time by the Board of Directors, by the officers of the Corporation, or as otherwise provided by the Utah Nonprofit Corporation Act (the “*Act*”).

**ARTICLE II  
Founding Members /Shareholders**

The First Water Bank of Utah is owned exclusively by its Founding Members who are also the Shareholders. The Founding Members are the Ashley Valley Water & Sewer Improvement District (“AVWSID”), Vernal City (“Vernal”) and WETx. Founding Members own all the stock in the First Water Bank of Utah.

**Section 2.1. Voting Shareholders.** The Corporation shall have one class of voting Shareholders. As used in these Bylaws, “*Founding Member(s)*” shall mean voting Member(s).

**Section 2.2. Qualifications.** Founding Members shall have some experience, understanding and interest in water rights, water treatment and/or water delivery, and the purposes of the Corporation generally and a desire to fulfill the purposes of the Corporation specifically.

**Section 2.3. Adding new Founding Members.** New Founding Members may be added only upon unanimous consent of the existing Founding Members. The number of shares issued to new Founding Members as Shareholders shall be determined by the existing Founding Members, and shall be documented in a Founders Agreement, signed by all current Founding Members and by the new Founding Members. Terms and conditions of admission, including reimbursement of a proportionate share of costs, percentage of shares issued, etc., shall be contained in the Founders Agreement(s). Once admitted as a Founding Member and Shareholder, the new Founding Member shall have the same rights, duties and responsibilities as the original Founding Members.

**Section 2.4. Rights of Shareholders.** The right of a Founding Member to vote and all its right, title, and interest in or to the Corporation shall cease on the termination of such status as a Shareholder. Founding Members shall be entitled to share in the distribution of the corporate assets upon the dissolution of the Corporation in proportion to their ownership of shares.

**Section 2.5. Annual Meetings.** No annual meeting of the Shareholders shall be required. In the event of an annual meeting of Shareholders, it shall be held at the time and place as shall be determined by the presiding Founding Member.

**Section 2.6. Special Meetings.** Special meetings of the Shareholders may be called by the chairman of the Board of Directors or any two (2) of the Shareholders and shall be held at such time and place, within or without Utah, as may be determined by the Shareholders.

**Section 2.7. Notice and Conduct of Meetings.** Written notice, stating the place, day and hour of all meetings and, in the case of special meetings, the purposes for which such meeting is called, shall be given before the date of the meeting, by or at the direction of the presiding Founding Member, to each Shareholder entitled to vote at such meeting. Notice shall be given in accordance with the provisions of Section 3.8 hereof. The presiding Founding Member shall conduct meetings of the Shareholders. If the presiding Founding Member is unavailable or otherwise unable to conduct any meeting of Shareholders, he shall appoint a Founding Member in his stead to conduct such meeting or meetings of Shareholders.

**Section 2.8. Voting.** At any meeting of the Shareholders, each Founding Member present at such meeting shall have the number of votes equal to their ownership percentage of the shares. Any tie in a vote among the Shareholders shall be broken by a vote of the presiding Founding Member. Voting by proxy shall not be permitted.

**Section 2.9. Action by Unanimous Written Consent.** Any action required or permitted to be taken at a meeting of the Shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders. Such consent shall have the same force and effect as a unanimous vote of the Shareholders.

**Section 2.10. Meetings by Conference Telephone.** Shareholders may participate in a meeting by conference telephone or similar communications equipment, so long as all persons participating in such a meeting can hear one another. Participation in a meeting through telephonic means shall constitute presence in person at such meeting.

**Section 2.11. Quorum.** A majority of the Shareholders shall constitute a quorum for the transaction of business of the Shareholders, but a lesser number may adjourn from time to time without notice other than an announcement of a lack of a quorum at the meeting, until a quorum shall attend. Notwithstanding the foregoing, if a Shareholder owning more than 25% of the outstanding shares is not present at any meeting, no binding action may be taken at that meeting.

**Section 2.12. Presiding Member.** The Shareholders may elect one Founding Member as presiding Founding Member. That entity shall appoint a representative, who shall hold such position for one year or such longer period designated by the Shareholders by affirmative vote unless removed prior thereto by the Board for any reason, or until his or her earlier death, resignation, removal or other inability to serve. The presiding Founding Member representative shall preside at meetings of the Shareholders and shall perform such other duties as are incident to the position, are required by law or these Bylaws, or are specified by the Shareholders by resolution.

**Section 2.13. Right of Inspection.** Every Member shall have the right at any reasonable time to inspect all the Corporation's books, records and documents of every kind.

**Section 2.14. No Transfer or Assignment.** No Founding Member of the Corporation may transfer or assign its Shareholdership interest in the Corporation or any right arising therefrom to any other party without the express, written consent of all of the other Founding Members. In the event one of the Founding Members desires to no longer participate as a Founding Member, their interest (represented by their shares) shall first be offered to the remaining Founding Members according to the Remaining Founding Members' percentage of ownership of the outstanding shares. No individual may be a Founding Member / Shareholder.

### **ARTICLE III BOARD OF DIRECTORS**

**Section 3.1. General Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors (sometimes referred to herein as “Board” when acting as the Board and as “Director(s)” when acting otherwise) except as otherwise provided in the Act, the Articles or these Bylaws.

**Section 3.2. Number, Election, Tenure and Qualifications.**

(a) The number of the Board shall be specified from time to time by resolution of the Board, but shall not be less than three (3). Initially, the Board shall consist of two (2) members from AVWSID, two (2) members from Vernal, and one (1) member from WETx.

(b) Other than when empaneling the Board (which will require staggered one terms of different durations, e.g. Director 1, a one (1) year term, Director 2, a two (2) year term and Director 3, a three (3) year term), the Directors shall be elected for terms of three (3) years to succeed those whose terms expire. Despite the expiration of a Director’s term, the Director shall continue to serve until the selection and qualification of a successor or until there is a decrease in the number of directors, or until such director’s earlier death, resignation or removal from office. The Founding Member who controls the Board seat shall appoint Director(s) to fill each of their Director(s) positions which become open from time to time.

**Section 3.3. Resignation.** Any Director may resign at any time by giving written notice to the president or the secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 3.4. Vacancies.** Any vacancy occurring in the Board may be filled by an appointment by the Founding Member to whom the seat belongs. A Director appointed to fill a vacancy shall serve for the unexpired term of such Director’s predecessor in office and must meet the qualifications applicable to the position on the Board to be filled. Any directorship to be filled by reason of an increase in the number of Director(s) shall be filled by an appointment approved by the Founding Member to whom the new seat is assigned.

**Section 3.5. Standards of Conduct.** A Director shall discharge his or her duties as director (or officer):

(a) In good faith;

(b) With the care an ordinarily prudent individual in a like position would exercise under similar circumstances; and

(c) In a manner the director (or officer) reasonably believes to be in the best interest of the Corporation.

(d) A Director or Board Member shall disclose any conflict of interest, or potential conflict of interest, when he or she is personally involved in a matter that also concerns the First Water Bank of Utah. If the Board determines by majority vote that the conflict is significant, it may request that the Director recuse himself or herself from any Board action involving the issue giving rise to the conflict.

**Section 3.6. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place as may be determined by the Board, for the purpose of transaction of such business as may come before the meeting. The Board of Directors may provide by resolution the time and place, either within or outside the State of Utah, for the holding of regular meetings. No additional notice of meetings held pursuant to a resolution of the Board, other than the resolution itself, is required.

**Section 3.7. Special Meetings.** Special meetings of the Board may be called by or at the request of a majority of the Directors. The individual or individuals authorized to call special meetings of the Board may fix any place as the place, either within or outside Utah, for holding any special meeting of the Board called by them.

**Section 3.8. Annual Meetings.** One of the regular meetings of the Board described above in Section 3.6 shall be designated as the Annual Meeting for the purposes of organization, election of directors and officers and the transaction of other business.

**Section 3.9. Notice.** Notice of each meeting of the Board (other than regular meetings held pursuant to a resolution of the Board under Section 3.6 above) stating the place, day and hour of the meeting shall be given to each Director via email (as shown on the Corporations records), at least seven (7) days prior thereto by the mailing of written notice by email. Any Director may waive notice of any meeting before, at or after such meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, unless the Director, at the beginning of the meeting or promptly upon later arrival, objects to holding the meeting because of lack of notice or defective notice, and after objecting, the Director does not vote for or assent to action taken at the meeting with respect to the purpose. If special notice was required for a particular purpose, the Director must object to the purpose for which the special notice was required, and after objecting, refrain from voting for or assenting to the action taken at the meeting with respect to the purpose, or the Director's attendance constitutes a waiver of notice.

**Section 3.10. Quorum and Voting.** A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting without further notice other than an announcement at the meeting, until a quorum shall be present.

**Section 3.11. Proxies.** For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be considered to be present at a meeting and to vote if Director has granted a signed written proxy:

(a) to another Director who is present at the meeting and authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy; or

(b) to a person who is not a Director if the proxy authorizes such person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

**Section 3.12. Presumption of Assent.** Director(s) present at a meeting of the Board, when corporate action is taken, is considered to have assented to all action taken at the meeting unless:

(a) (i) the Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting; and (ii) after objecting, the Director does not vote for or assent to any action taken at the meeting; and

(b) the Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(c) the Director causes written notice of the Director's dissent or abstention as to any specific action to be received by: (i) the presiding officer of the meeting before adjournment of the meeting; or (ii) the Corporation promptly after adjournment of the meeting.

The right of dissent or abstention as set forth above as to a specific action is not available to a director who votes in favor of the action taken.

**Section 3.13. Compensation.** Unless prohibited by the Act, Directors may receive reasonable compensation for their services as such, as determined by the Board. Reasonable stipends and expenses for Directors for attendance at Board meetings may be paid or reimbursed by the Corporation. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity.

**Section 3.14. Executive and Other Committees.** By one (1) or more resolutions adopted by the Board, the Board may designate from among its Directors or Shareholders or members of the public an executive committee and one (1) or more other committees, each of

which shall have and may exercise all of the authority of the Board granted to such committee by the resolution establishing such committee. Each committee shall be composed of at least one (1) Director and one (1) Shareholder, appointed by the Board, and other committee members may be called upon as needed. The chair of the executive or other committee shall be determined by the committee members. The delegation of authority to any committee shall not operate to relieve the Board or any Shareholder or other member of said committee, from any personal liability imposed by law. Rules governing procedures for meetings of any committee governed by this Section 3.14 of shall be as established by the committee itself.

**Section 3.15. Meetings by Telecommunication.** Shareholders of the Board or any committee thereof may participate in a meeting of the Board or committee by any means of communications so long as all individuals participating in the meeting can hear one another. Such participation shall constitute presence in person at the meeting.

**Section 3.16. Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if the action is taken by all Directors of the Board. The unanimous action shall be evidenced by one (1) or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last Director signs the consent, unless the consent specifies a different effective date.

An electronic transmission communicating a vote under this Section 3.16 is considered to be written, signed, and dated for purposes of this Section if the electronic transmission is delivered with information from which the Corporation can determine: (i) that the electronic transmission is transmitted by the Director; and (ii) the date on which the electronic transmission is transmitted. The date on which an electronic transmission is transmitted is considered the date on which the vote, abstention, demand, or revocation is signed. For purposes of this Section, communications to the Corporation are not effective until received.

Action taken pursuant to this section has the same effect as action taken at a meeting of Directors and may be described as an action taken at a meeting of Directors in any document.

**Section 3.17. Advisory Board.** The Board may appoint such advisory commission or board as it may deem appropriate, consisting of Directors or persons who are not Directors, but such board shall not be deemed a committee of the Board and shall not exercise any powers of the Board. The Board shall select a chair and such other officers of the advisory board as it may determine. Notice of, and procedures for, meetings of any advisory board shall be as prescribed by the chair of such board, and meetings of any advisory board may be called by the Board.

**Section 3.18. Chair of the Board.** The chair of the Board of Directors shall be selected (and removed) by the Board of Directors by majority vote and shall (i) preside at all meetings of the Board of Directors; (ii) see that all orders and resolutions of the Board of Directors are carried into effect; (iii) supervise and manage the activities of committees or advisory boards constituted by the Board, if any; and (iv) perform all other duties incident to the office of chair of the Board.



**Section 3.19. Emergency Powers.** For purposes of this Section 3.20, an emergency shall be deemed to exist if a quorum of Directors cannot readily be obtained because of a catastrophic event, within the meaning of that term under the Act. In the event of an emergency, notice of a meeting of the Board need be given only to those Directors that practically can be reached, and notice can be given by any practicable manner, including by satellite or radio. In this and only in this event, Officers of the Corporation present at the meeting of the Board may be considered Directors, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. During an emergency, the Board may modify seniority to accommodate the incapacity of any directors, officers, employees or agents, adopt bylaws only to be effective during the emergency, relocate the Corporation's principal offices and take such other action as is necessary in good faith to further the Corporation's ordinary activities and purposes.

#### **ARTICLE IV OFFICERS AND AGENTS**

**Section 4.1. Number and Qualifications.** The elected officers of the Corporation shall consist of at least a president, secretary and treasurer. The Board may also elect or appoint such other officers, assistant officers and agents, including, one or more vice president(s), assistant secretaries and assistant treasurers, as it may consider necessary. One individual may hold more than one office at a time.

**Section 4.2. Power/Duties.** The Board may delegate to any officer of the Corporation or any committee of the Board the power to appoint, remove and prescribe the duties of other officers, assistant officers, agents and employees.

**Section 4.3. Resignation.** An officer may resign at any time by giving written notice of resignation to the Corporation. An officer's resignation shall take effect at the time specified in the notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4.4. Election and Term of Office.** The elected officers of the Corporation shall be elected by the Board at each annual meeting, or, if the term of office exceeds one year, at the meeting which coincides with the conclusion of the given term. If the election of officers shall not be held at such meeting, such election shall be held as soon as convenient thereafter. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified, or until the officer's earlier death, resignation or removal.

**Section 4.5. Removal.** An officer, assistant, agent or employee may be removed, with or without cause, at any time: (i) in the case of an officer, assistant, agent or employee appointed by the Board, only by resolution of the Board; and (ii) in the case of any other officer, assistant, agent or employee, by any officer of the Corporation or committee of the Board upon whom or which such power of removal may be conferred by the Board; but such removal shall be without prejudice to the contract rights, if any, of the individual so removed.

**Section 4.6. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term.

**Section 4.7. Compensation.** If the Board determines to compensate officers, the compensation of the officers shall be fixed from time to time by the Board based upon the fair value of services rendered by such officers, and no officer shall be prevented from receiving fair compensation by reason of the fact that he or she is also a Director of the Corporation.

**Section 4.8. Authority and Duties of Officers.** The officers of the Corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the president, the Board or these Bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a) *President.* The president shall perform duties as may be assigned to him/her by the Board and all duties normally performed by a chief executive officer of a non-profit corporation.

(b) *Vice-President.* If appointed, in the absence of the president, or in the event of the president's death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned to him/her by the president or by the Board. In the event there is more than one vice-president serving, the vice-presidents shall perform the duties assigned to them by the president and the Board.

(c) *Secretary.* The secretary shall: (i) keep the minutes of the proceedings of the Board and any committees of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the Corporation (if any); and (iv) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(d) *Treasurer.* The treasurer shall: (i) be the principal financial officer of the Corporation and oversee the care and custody of all its funds, securities, evidences of indebtedness and other personal property, and deposit the same in accordance with the instructions of the Board; (ii) supervise the process of receiving and giving receipts for moneys paid in on account of the Corporation (iii) supervise the paying of all bills, payrolls and other just debts of the Corporation of whatever nature upon maturity out of available funds; (iv) prescribe and supervise the methods and systems of accounting to be followed, see that complete books and records of account are kept, and prepare and file all local, state and federal tax returns and related documents, prescribe and supervise an adequate system of internal audit, and oversee the preparation of and furnish to the chair of the Board and the Board statements of account showing the financial position of the Corporation and the results of its operations; (v) upon request of the Board, make such reports to it as may be required at any time; and (vi) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to

the treasurer by the chair of the Board or the Board. In the absence of a treasurer, the secretary shall perform the duties of a treasurer set forth herein.

## ARTICLE V EXECUTION OF INSTRUMENTS

**Section 5.1. Checks, Drafts, etc.** All checks, drafts and orders for payment of money, and notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

**Section 5.2. Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board.

**Section 5.3. Contracts.** The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**Section 5.4. Conflicts of Interest.** The Directors of the Corporation may adopt by majority vote a conflict-of-interest policy.

## ARTICLE VI INDEMNIFICATION

### **Section 6.1. Indemnification.**

(a) Notwithstanding Section 6.1(b), and to the fullest extent allowed by relevant law, the Corporation shall indemnify any agent or Director of the Corporation who is successful, on the merits or otherwise, in the defense of any proceeding or matter to which the agent or Director was a party by reason of having served as an agent or Director of the Corporation, or any claim, issue or matter in the proceeding to which the agent or Director was a party because the agent or Director is or was an agent or Director of the Corporation, against reasonable expenses incurred in the proceeding or matter, including reasonable attorney fees.

(b) The Corporation may in its discretion indemnify an individual made a party to a proceeding because the individual is or was a director, officer, employee, fiduciary or agent of the Corporation or of any other enterprise at the request of the Corporation, or by reason of any action allegedly to have been taken, omitted or neglected as such director, officer, employee, fiduciary or agent against reasonable expenses incurred in connection with the proceeding, if:

- (i) the individual's conduct was in good faith;
- (ii) the individual reasonably believed that the individual's conduct was in, or not opposed to, the Corporation's best interests; and
- (iii) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

(c) The Corporation shall not indemnify a director, or officer, employee, fiduciary, or agent in connection with a proceeding in which such individual was adjudged liable to the Corporation, or in connection with any other proceeding charging that the individual derived an improper personal benefit, whether or not involving action in the individual's official capacity, in which proceeding the individual was adjudged liable on the basis that the individual derived an improper personal benefit and acted intentionally to derive improper personal benefit.

**Section 6.2. Advances of Costs and Expenses.** The Corporation may in its discretion pay for reasonable expenses incurred by a director, officer, employee or agent (in defending a civil or criminal action, suit or proceeding) who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) the individual furnishes the Corporation a written affirmation of the individual's good faith belief that the individual has met the applicable standard of conduct described above in Section 6.1(b).

(b) the individual furnishes the Corporation a written undertaking, executed personally or on the individual's behalf, to repay the advance, if it is ultimately determined that the individual did not meet the standard of conduct; and

(c) a determination is made that the facts then known to those making the determination would not preclude indemnification.

**Section 6.3. Insurance.** By action of the Board, notwithstanding any interest of the directors in such action, the Corporation may, subject to Section 6.5, purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any individual indemnified hereunder against any liability asserted against such individual and incurred by such individual in such individual's capacity of or arising out of such individual's status as an agent of the Corporation, whether or not the Corporation would have the power to indemnify such individual against such liability under applicable provisions of law. The Corporation may also purchase and maintain insurance, in such amounts as the Board of Directors may deem appropriate, to insure the Corporation against any liability, including without limitation, any liability for the indemnifications provided in this Article.

**Section 6.4. Right to Impose Conditions to Indemnification.** The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as the Board may deem appropriate in each specific case, including but not limited to any one or more of the following: (a) that any counsel representing the individual to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the individual to be indemnified and to the Corporation; (b) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the individual to be indemnified; and (c) that the Corporation shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified individual's right of recovery, and that the individual to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Corporation.

**Section 6.5. Limitation on Indemnification.** Notwithstanding any other provision of these Bylaws, and except as otherwise provided by law, the Corporation shall neither indemnify any individual nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Corporation as an organization described in Section 501 (c)(6) of the Internal Revenue Code (the “IRC”).

## ARTICLE VII LIMITATIONS

**Section 7.1. Prohibition Against Sharing in Corporate Earnings.** No director, officer or employee of or individual connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such individual of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such individual or individuals shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All directors of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Directors, consistent with applicable provisions in the Corporation’s Articles.

**Section 7.2. Investments.** The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a nonprofit corporation is or may hereafter be permitted by law to make, or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of tax exemption under any section of the IRC.

**Section 7.3. Exempt Activities.** Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under IRC §501(c)(6).

## ARTICLE VIII MISCELLANEOUS

**Section 8.1. Account Books, Minutes, Etc.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees. All books and records of the Corporation may be inspected by any Director, such Director’s authorized agent or attorney, for any proper purpose at any reasonable time. Official documents of the Corporation (i.e. approved minutes, resolutions, policies and

procedures, annual budgets, etc.) shall be stored in the WETx Vault. Working copies and drafts of documents, policies, budgets, etc. shall be stored in the FWBU Google Drive, to which each of the Board Members shall be given read-only access.

**Section 8.2. Fiscal Year.** The fiscal year of the Corporation shall be as established by the Board of Directors.

**Section 8.3. Conveyances, Encumbrances and Contracts.** Property of the Corporation may be assigned, conveyed or encumbered by such officers of the Corporation as may be authorized by the Board, and such authorized individuals shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all (more than 80%) of the property and assets of the Corporation shall be authorized only by majority vote of the Shareholders.

**Section 8.4. Designated Contributions.** The Corporation may accept any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the Articles. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the Corporation shall reserve all right, title and interest in and to, and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the Corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the Corporation's tax-exempt purposes.

**Section 8.5. Loans Prohibited.** No loans (as borrower or lender) shall be made by the Corporation except as may be approved by the Board.

**Section 8.6. References to Internal Revenue Code.** All references in these Bylaws to provisions of the Internal Revenue Code or "IRC" are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

**Section 8.7. Amendment.** The power to alter, amend, restate or repeal these bylaws and adopt new bylaws or to alter, amend or restate the Corporation's Articles of Incorporation shall be vested in the Shareholders or the Board. Any amendment must be approved by an affirmative vote of a majority of the Shareholders at any annual or special meeting of the Shareholders or by the Directors at any regular or special meeting of the Board.

**Section 8.8. Severability.** The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

## ARTICLE IX

### *Dissolution*

**Section 9.1. Account Books, Minutes, Etc.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees. All books and records of the Corporation may be inspected by any Director, such Director's authorized agent or attorney, for any proper purpose at any reasonable time. Official documents of the Corporation (i.e. approved minutes, resolutions, policies and procedures, annual budgets, etc.) shall be stored in the WETx Vault. Working copies and drafts of documents, policies, budgets, etc. shall be stored in the FWBU Google Drive, to which each of the Board Members shall be given read-only access.

**Section 9.2. Fiscal Year.** The fiscal year of the Corporation shall be as established by the Board of Directors.

**Section 9.3. Conveyances, Encumbrances and Contracts.** Property of the Corporation may be assigned, conveyed or encumbered by such officers of the Corporation as may be authorized by the Board, and such authorized individuals shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all (more than 80%) of the property and assets of the Corporation shall be authorized only by majority vote of the Shareholders.

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**Section 8.6. References to Internal Revenue Code.** All references in these Bylaws to provisions of the Internal Revenue Code or "IRC" are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

**Section 8.7. Amendment.** The power to alter, amend, restate or repeal these bylaws and adopt new bylaws or to alter, amend or restate the Corporation's Articles of Incorporation shall be vested in the Shareholders or the Board. Any amendment must be approved by an affirmative

vote of a majority of the Shareholders at any annual or special meeting of the Shareholders or by the Directors at any regular or special meeting of the Board.

**Section 8.8. Severability.** The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

**First Water Bank of Utah  
BYLAWS CERTIFICATE**

The undersigned certifies that he is the Secretary of First Water Bank of Utah, Inc., a Utah nonprofit corporation, and that, as such, s/he is authorized to execute this certificate on behalf of said Corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective Bylaws of said Corporation.

Dated effective as of the \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
[insert name], Secretary